Lean Six Sigma:

Strategies, Deployment and the Role of Leadership

U.S. AMC 2005 Senior Executive Training Symposium

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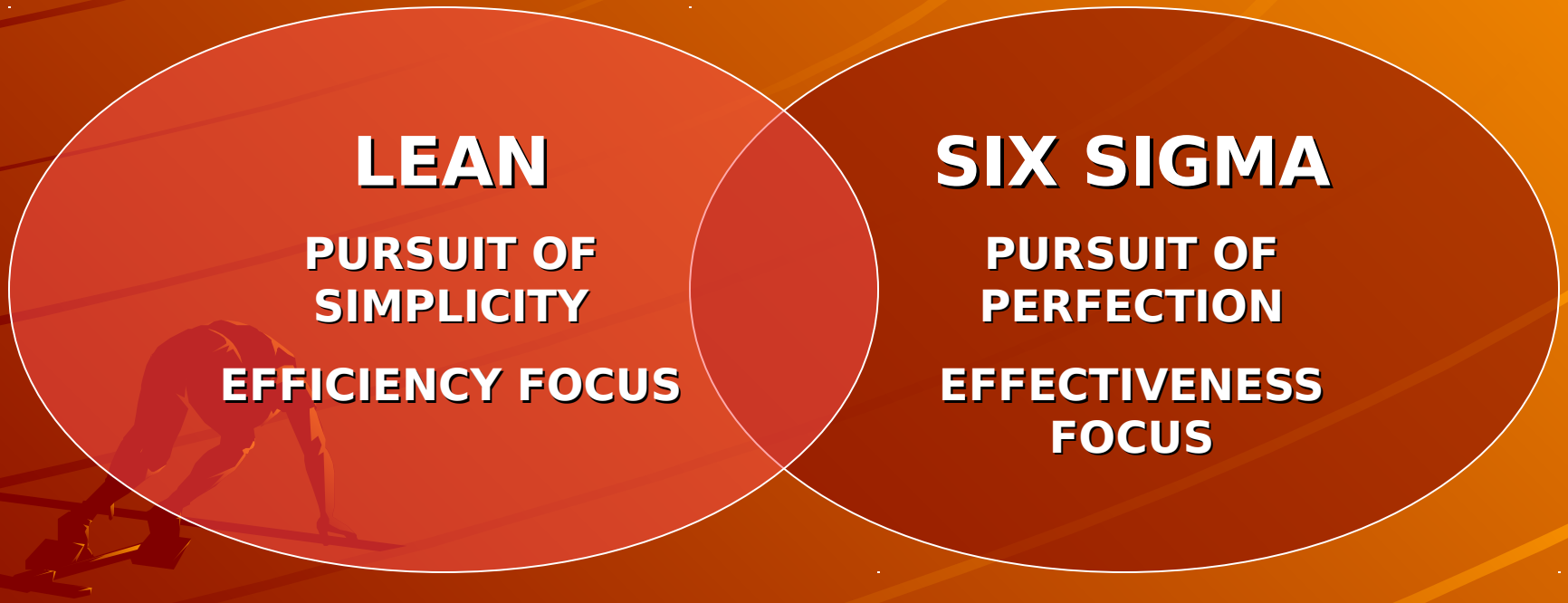
The Graveyard of Good

What is Lean Six Sigma?



Part One:
Strategies for Continuous Improvement

L6S
Executive Steering Group

- Composed of **senior leadership**: CG, MSC CDRs, HQ Staff
- Establishes overarching **strategy**
- Prioritizes **investments** and **projects** across AMC

AMC Vision for L6S

A

Culture of Innovation

that enables rapid

Transformation to the Future Force

and continuously creates

Greater Value for the Warfighter

From AMC ESG meeting, 9 Dec 04

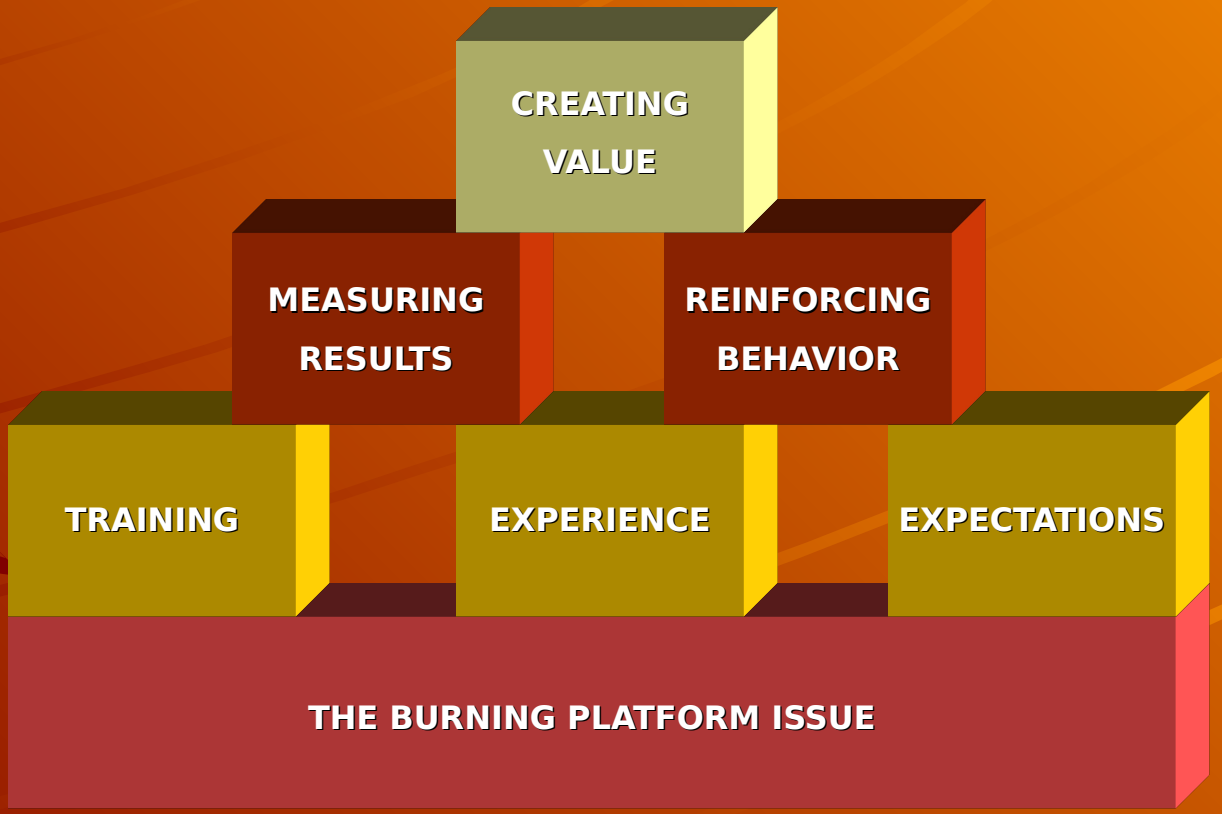
Shaping Culture

CULTURE

BEHAVIOR

KNOWLEDGE

A REASON TO CHANGE



Five Key Strategies for L6S

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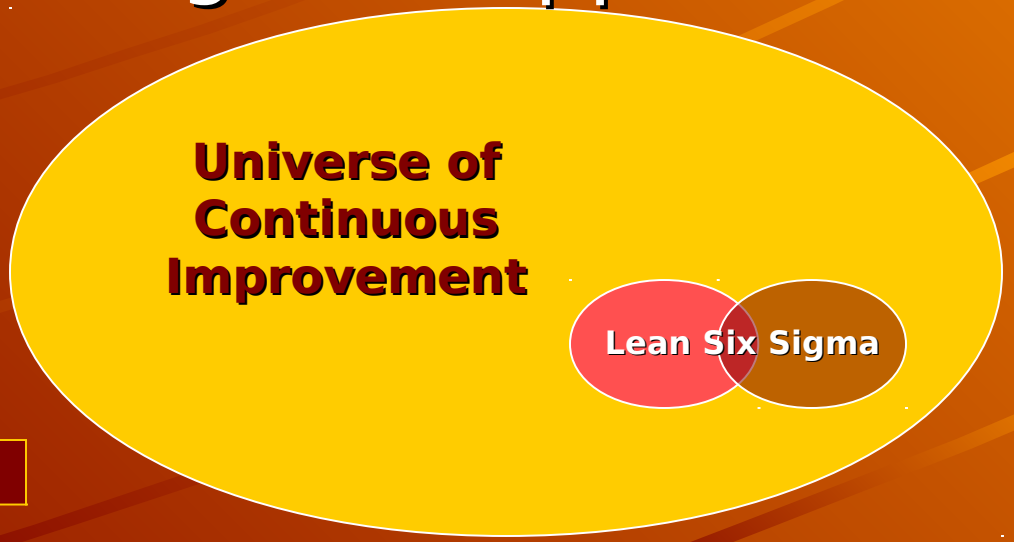
Strategy #1

- Use the Lean Six Sigma philosophy as the continuous improvement *starting point* while adapting other **best practices** to the unique demands of Warfighter support



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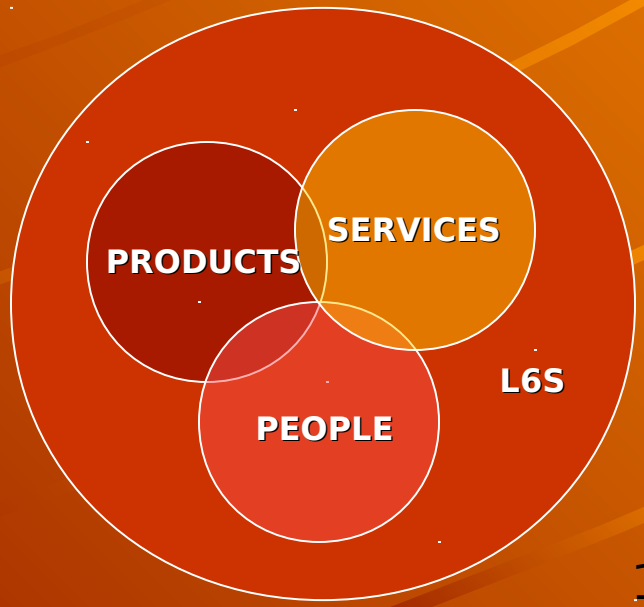
Strategy #2

- Deploy a program of **continuous improvement** that reaches every product, every service and every person in the AMC enterprise



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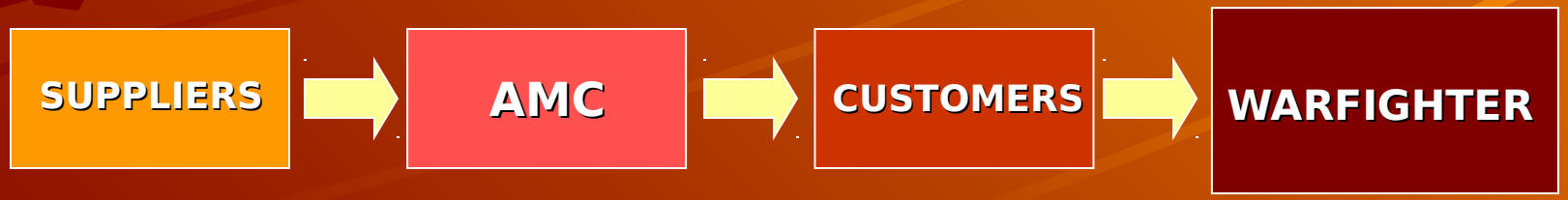
Strategy #3

- Extend continuous improvement beyond AMC boundaries and into every component of the **supply chain** by establishing new partnering relationships with customers and suppliers



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Strategy #4

- Institutionalize learning and execution through the implementation of formal **management processes**

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Strategy #5

- Use **metrics** to track performance, demonstrate value and enable decisions

Metrics must be

- **Clear**
- **Meaningful**
- **Actionable**

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Part Two:
Objectives for
Lean Six Sigma Deployment

Leadership Expectations

- **Understand** Lean Six Sigma
- **Improve** performance on top customer priorities
- **Measure** and report execution
- **Recognize** and reward success

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Understanding L6S

- Reading
- Benchmarking
- Experience
- Belt training
- Seminars

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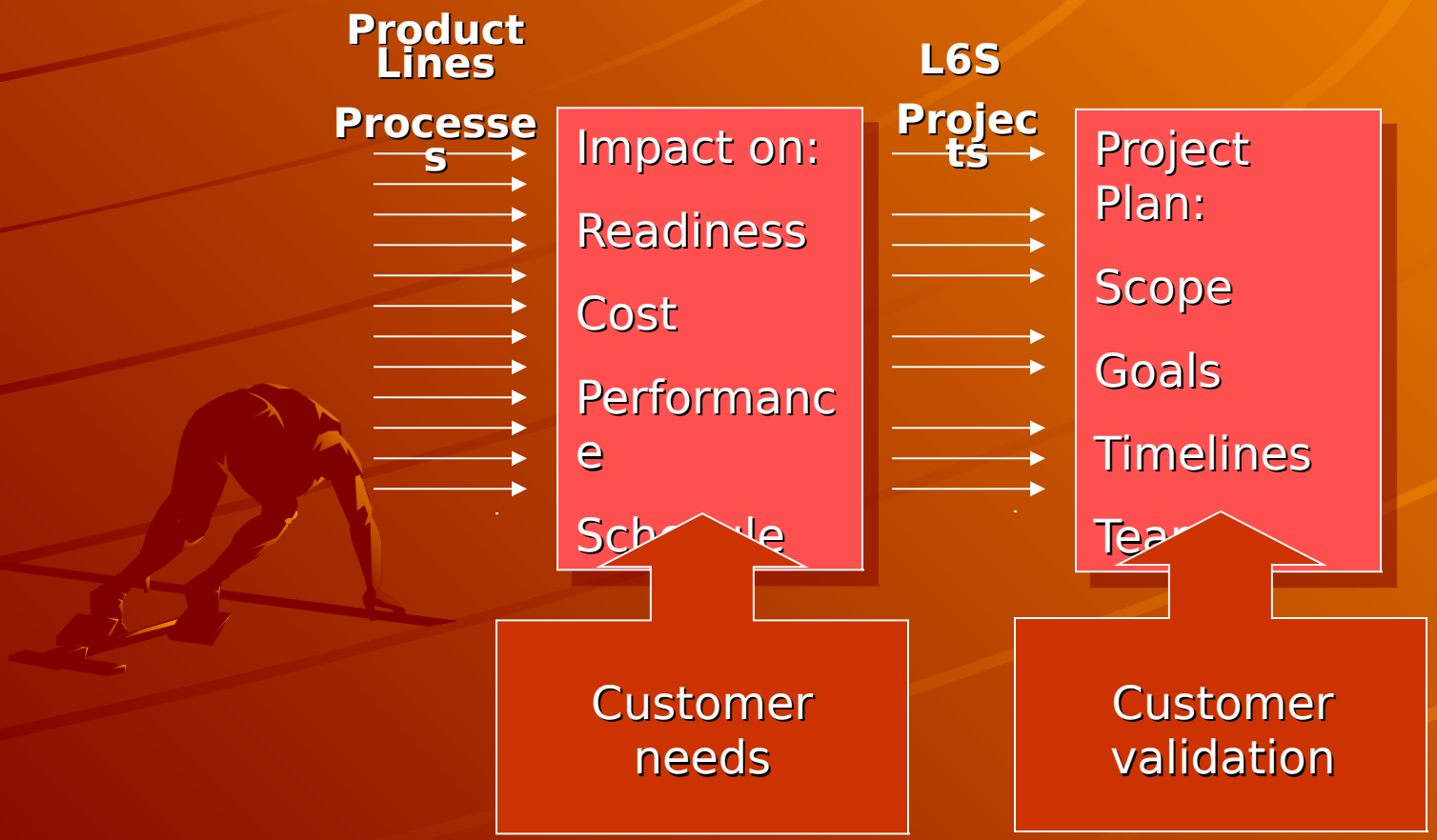
Improve Performance on Top Priorities



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Measuring Execution
(i.e., metrics)

- TAT/process time = Meeting demands
- Process cost = Results/$
- Quality = Coordination, thoroughness, accuracy
- Performance = Effectiveness of result

Focus on results ***relative to customer requirements***

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TAT = Turnaround Time

Recognize and Reward Success

- Recognize the use of L6S to achieve performance improvements with monetary and non-monetary **awards**
- Enable **reinvestment** of L6S savings
- Include L6S in **performance** and **training** objectives for everyone (including senior leadership)
- Include L6S training and experience in **recruitment** selection criteria

Non-manufacturing Deployment

- L6S approach applies to non-manufacturing (transactional) processes
- Includes HQ AMC

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Example
GE Transportation

- "It applies to everything"
  - HR, engineering, finance, legal, contracting, IT
- 10,000 Green Belts
  - 1 week of training
- 360 full time Black Belts/Master Black Belts
- 150 L6S Champions
  - Lead the deployment
- L6S is the key leadership development program
- Increased profits each of the 9 years since deployment
- "…The way we work"

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L6S Deployment Objectives

- Use **ESG** to guide deployment
- Establish **expectations** of/from leadership
- Establish **Champion** at HQAMC
- Develop Green, Black, and Master Black **Belts**
- Identify high priority **projects** to improve
- Use developed Black Belts to lead **projects**
- Develop **metrics** to measure performance
- Ensure comm of **lessons learned** across AMC
- Recognize and **reward** success
- **Reinvest** Savings

L6S TRAINING

Understand and Participate

Participate And Lead Minor Projects

Lead Major Projects

Lead Major Projects and Teach

Revised Familiarization Strategy – Not Yet Vetted

- **Familiarization**
  - 2 hr workshop for workforce
  - 1 day basic principles for sponsors
  - 1 day basic principles for L6S project team members “just-in-time”
- **Green Belt (1 week)**
  - 1 week detail of L6S principles
  - Intro to auditing and creative problem solving
- **Black Belt (3-6 months)**
  - Green Belt training
  - 2 weeks expansion of L6S principles and practical workshops
  - 1 week quality management systems
  - 1 week creative problem solving
  - 1 week Myers-Briggs Type Indicator
  - 1 week Kirton Adaption-Innovation Inventory
  - Leadership of a Black Belt Level Project
- **Master Black Belt (10-17 months)**
  - Black Belt training
  - 1 week deployment planning
  - 1 week ethics
  - 1 week instruction certification
  - 1 week train-the–trainer creative problem solving
  - 1 week situational outlook questionaire
  - Green and Black Belt teaching experience
  - Mentoring 2 Black Belt Projects

L6S Savings Objectives

- Establish how L6S is **displayed** in budgets
- Develop standardized, auditable methodology to **calculate** savings
- Develop standardized methodology for **returning** savings to customers
- Enable installations to **self-finance** L6S efforts (projects and people)
- **Institutionalize** the savings into the future

Lessons Learned

- L6S, like all major change, **must be vigorously led**
- **People must believe in it** for L6S to work
- Don’t make L6S a program, **make it a value that is demonstrated daily**

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Part Three:
Leadership is Everything

Three Reasons
Why L6S Won't Work

Reason #1

- We’re at War!
  - a.k.a, Go away, I’m much too busy

Reason #2

- These flavors of the month never last...
  - a.k.a, I can wait this one out, too

Reason #3

- The Boss doesn’t support it.
  - a.k.a, Mama didn’t raise no fool

Three reasons

Why you can’t just tell people to Go off and do L6S

Reason #1

- People need to acquire L6S knowledge and experience using it, and they won’t without your support

Reason #2

- The process requires a fertile environment and a mandate for change, and those won’t exist without you

Reason #3

- People can’t take on the impossible without it—***you are the visionary***

Three Final
Key Points

Key Points

- ***Good ideas are fungible***, so
  - Don’t start over if you’re getting good results (but be sure)
  - Be open to unique opportunities
  - Temper the zealots, if necessary

Key Points

- ***Measure the "right things"***, not the easy things
- The "right things"
  - Delight your customers
  - Drive the right behavior

***BEWARE* of "Chicken Efficiency"**

Key Points

- The customer **IS** always right (really), so
  - ***Listen*** intently
  - Be prepared to ***forget*** what you think you know

Carpe Diem

“Seize the day”